

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7261

BILL NUMBER: HB 1588

NOTE PREPARED: Dec 30, 2004

BILL AMENDED:

SUBJECT: Unsafe Buildings.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes procedures for real property containing an unsafe building to be forfeited to the county or municipality if the owner of the unsafe building willfully refuses to comply with an order to remove the unsafe building. It increases from \$1,000 to \$15,000 the civil penalty that may be imposed for the willful refusal to comply with an order to remove an unsafe building. The bill also provides that forfeiture is an alternative to the civil penalty. It provides for the disposition of property acquired by forfeiture.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill increases the civil penalty for willful refusal to comply with an order to remove an unsafe building from \$1,000 to \$15,000. Money from this penalty is to be deposited in the Unsafe Building Fund that is established by the city or county department which is authorized to enforce the Unsafe Building Law.

If a county or municipality acquires property through forfeiture, the unit may dispose of the property via an urban homesteading program, in accordance with real property disposal procedures provided in statute, via a redevelopment commission, or via transfer to a nonprofit organization. If a county or municipality transfers the property to a nonprofit organization, then the bill requires all delinquent taxes and penalties be removed from the tax duplicate. This will cause a revenue reduction for the units that serve the property. In addition, the property would likely be exempt from property taxation thereby shifting the property tax burden from the properties in question to all other property tax payers. This provision is dependent on local action.

Court Fee Revenue: If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected:

Local Agencies Affected: Counties, municipalities, trial courts, city and town courts.

Information Sources:

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